

ECONOMIC IMPACTS OF INDIANA'S
PARI-MUTUEL HORSE INDUSTRY ON INDIANA

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Executive Summary

The equine industry is an important sector of Indiana's economy. This study documents growth in the portion of the industry associated with pari-mutuel racing and estimated its economic impact on the Indiana economy. Key findings from this study are:

- Total annual economic impacts associated with pari-mutuel horse enterprises and Hoosier Park operations in 1999 were an estimated \$129,860,566 in total output or sales, \$48,824,398 in total income, and 2,886 jobs.
- Pari-mutuel racing tax and licensing payments to the State were \$4,599,544 in 1999.
- The estimated State tax revenue for household income associated with pari-mutuel racing industry activity was \$2,242,737.
- The economic impact of the construction of Hoosier Park brought \$50,810,409 in total output or sales, \$18,469,269 in personal income, and 672 jobs in 1994.
- Pari-mutuel racing operations paid \$4,599,544 in taxes, licenses and fees to state government in 1999.
- The pari-mutuel horse industry has demonstrated continual growth since Hoosier Park opened in 1994. The number of race days increased from 54 in 1994 to 167 in 1999.
- Consumer interest in simulcast wagering has increased every year Hoosier Park has been open. The total pari-mutuel horse racing handle (live and simulcasting) increased from \$20,176,394 in 1994 to \$155,266,949 in 1999.
- Purses, which is the prize money paid to horse owners, have increased 392% from 1995 to 1999. Purses paid in 1995 totaled \$6,266,238 compared to \$24,561,000 paid in 1999.
- The market for standardbred horses has increased substantially due to the introduction of pari-mutuel racing in Indiana. In 1996, 191 standardbred horses sold at public auction in Indiana for a total of \$326,225, an average of \$1,708. In 1999, 602 standardbreds sold for \$1,715,475 and averaged \$2,850. These sale results represent 216 percent in number of horses sold, 426 percent total sales, and 67 percent in average price.
- Breeding activity is increasing in the state. The number of standardbred broodmares has grown from 704 in 1994 to 2,054 in 2000. Thoroughbred broodmares increased in from 436 in 1998 to 653 in 1999.
- Top prices paid at auction for a Standardbred horse were \$20,000 in 1997, \$30,000 in 1998, and \$25,000 in 1999. A two-year old Indiana bred thoroughbred sold for \$425,000 at public auction in 1999.

ECONOMIC IMPACTS OF INDIANA'S PARI-MUTUEL HORSE INDUSTRY ON INDIANA¹

Introduction

Indiana's first pari-mutuel horse racing track opened in 1994 at Anderson, Indiana and began its seventh season in the spring of 2000. Although state regulated pari-mutuel racing has been around since 1870 in the United States, this industry is young in Indiana (The History of Thoroughbred Racing in America). The Indiana industry has been able to draw from a growing horse population of Standardbreds, Thoroughbreds and Quarter Horses in the State and increased investments in the industry to support race track activities. The race track also attracts non-Indiana horses to participate in race activity. The Indiana Horse Racing Commission, through its Breed Development Advisory Committees, has used development funds to supplement purses for Indiana sired, owned or bred horses. These activities support growth in Indiana's horse industry and encourage competition with race tracks in other states.

The race horse industry has grown since the establishment of Hoosier Park. The number of horses involved in equine racing has increased, as have the number and size of breeding and training enterprises. Horse prices, as measured by auction sale prices, for Indiana horses also have increased.

Funds used by the Indiana Horse Racing Commission for racing incentives come from various sources, including breakage, outs, and the riverboat admissions tax allocations (see definitions section).

This study describes Indiana's current horse racing industry and its impact on Indiana's economy. The equine breeds included in this study are Standardbreds, Thoroughbreds, and Quarter Horses. In Indiana, the Standardbreds and Thoroughbreds have full racing seasons at Hoosier Park.

¹Kevin T. McNamara and Mary Knudson, Department of Agricultural Economics, Purdue University, West Lafayette, Indiana 47907-1145, February 1999.

Quarter Horses have several races on a number of days at Hoosier Park during its Thoroughbred meet.

The objectives of this study are: (1) to estimate the annual expenditures of owners of these equine breeds on horse related health care, maintenance, travel, facilities and other expenditures on a per horse basis, (2) to estimate the economic linkages between the horses in these equine breeds and other sectors in the economy on a per horse basis, (3) to estimate the total output, income and employment economic impact of horse enterprises involved in pari-mutuel racing in the Indiana economy, (4) to estimate the total output, income and employment economic impact of Hoosier Park in the Indiana economy, (5) to estimate the total output, income and employment economic impact of the construction of Hoosier Park in the Indiana economy, and (6) to estimate the state revenues the horse racing industry pari-mutuel contributes in the Indiana economy.

The Horse Industry in the United States

The national horse industry is varied and diverse, and supports activities throughout the U.S. In 1995 there were 6.9 million horses in the U.S. (Policy Economics Practice, 1996). The horse industry produced goods and services valued at \$25.3 billion in 1995. The industry employed 619,400 people in 1995 with 338,500 jobs (Policy Economics Practice, 1996). The horse industry paid an estimated \$1,910 million in taxes to federal, state and local governments in 1995 (Policy Economics Practice, 1996).

Racing, showing and recreation enterprises each contribute more than a quarter of the industry's total value. Nationally, the horse racing industry had 725,000 horses in 1995 (Policy Economics Practice, 1996). The racing industry accounted for 29 percent, or \$7,383 million, of the total horse industry's output value of \$25.3 billion. The industry generated direct employment of 136,400 jobs, 40 percent of total horse industry jobs. The estimated impacts of the horse racing industry on the U.S. economy was \$34,033 million in total output and 472,800 in total employment. Racetrack operations paid \$511.2 million in taxes in 1995 (Policy Economics Practice, 1996).

Pari-mutuel Racing in Indiana

The State of Indiana amended its constitution in 1988 to delete the prohibition on lotteries. With this amendment, the state legislature proceeded to authorize different forms of gambling. A state lottery and pari-mutuel wagering were permitted in 1989, followed by charitable gambling in 1992, and riverboats in 1993. The Indiana Horse Racing Commission was formed in August of 1989. Pari-mutuel horse racing began with a 54-day Standardbred meet at Hoosier Park (Table 1) in September 1994. Hoosier Park initiated dual breed meets in 1995. The statute allowing pari-mutuel racing requires that Hoosier Park have a minimum of 120 live race days in order to have unlimited simulcasting on races from other states (Indiana Code 4-31-7-7 (b)). Pari-mutuel racing added Thoroughbred racing in 1995 with a 42-day Thoroughbred racing meet. The Thoroughbred meet has increased to 65 days in 1999. The Standardbred racing days have been relatively stable as 104 days were conducted in 1995 and 102 in 1999. A single-day Quarter Horse racing meet was added in 1997. The Quarter Horse racing meet was expanded to three days in 1998 and 10 days in 1999. The total number of live racing days has increased each year since 1996, from 132 days in 1996 to 167 days in 1999.

Two types of pari-mutuel wagering occur in Indiana. One is live wagering—individuals at the track place bets on races conducted at Hoosier Park. The other is simulcast wagering. Simulcast wagering is the broadcasting of live races from various pari-mutuel tracks to satellite locations so that patrons can bet on these races. Live race wagering was introduced when Hoosier Park opened in 1994. Simulcast wagering also was introduced in 1994 at Hoosier Park (Indiana Horse Racing Commission's Annual Report 1994). Simulcasting generates additional pari-mutuel betting, increasing the race track's total handle and contributions to horsemen's purses. Consequently, the track offers increased simulcast wagering opportunities, which in turn, supports additional racing days and higher purses.

Indiana has four satellite simulcast locations; one at Hoosier Park, and three off-track betting facilities (OTBs) in Merrillville, Fort Wayne, and Indianapolis. Wagering at the four simulcast locations generated \$8,692,833 in 1994, \$97,948,594 in 1995, \$134,236,180 in 1996, \$132,440,004 in 1997, \$135,265,268 in 1998, and \$141,212,556 in 1999. This simulcast wagering accounted for approximately 90 percent of Hoosier Park's total handle for 1996 through 1999 (Table 2). Live handle, on the other hand, amounted to \$11,483,561, \$12,605,078, \$8,523,261, \$7,455,017, \$7,512,027, and \$6,868,731 from 1994 to 1999, respectively. Live handle accounted for 10 percent of Hoosier Park's total handle since (Table 2) (Indiana Horse Racing Commission's Annual Reports, 1995-1999).

The Indiana Legislature passed legislation approving riverboat gambling in 1993. This legislation established a \$3.00 per person admission tax on riverboat gaming (Indiana Horse Racing Commission's Annual Report, 1995). Sixty-five cents of each \$3.00 tax was designated to go to the pari-mutuel horse racing industry which, according to the rules of the Indiana Horse Racing Commission rule 71 IAC 12-2-15, was allocated to purses (40%), Hoosier Park (30%), breed development (20%), and to the Promotion Fund (10%). Monies allocated to purses and breed development are divided on a 50/50 basis between Standardbreds and Thoroughbreds (Indiana Horse Racing Commission's Annual Report, 1995). The pari-mutuel racing industry received \$69,288,034 in Riverboat Fund payment for the 1995-1999 period, increasing from \$98,021 in 1995 to more than \$24 million in 1999 (Table 3) (Indiana Horse Racing Commission's Annual Reports, 1995-1999).

Riverboat Fund monies have been used to increase incentive programs and purses for the pari-mutuel horse industry in Indiana. In 1999 purse supplements from the Riverboat Fund amounted to \$9,879,413 (Indiana Horse Racing Commission Annual Report, 1999). The Riverboat Fund contributed \$4,939,706 to the two breed Development Funds in 1999, the majority of which

goes to purses. Riverboat funds from both sources provide approximately 57% of the purses earned in 1999.

Total purses (Table 4) paid at Hoosier Park from 1994-99 were \$44,235,681 for Standardbred races and \$41,388,317 for Thoroughbred races (Indiana Horse Racing Commission's Annual Reports, 1995-1999). Average daily Standardbred purses in Indiana for 1999 were \$117,263. This compares favorably to selected tracks in neighboring states. For example, Hazel Park's (Michigan) daily average was \$63,000, Maywood Park's (Illinois) was \$60,000, Scioto Downs (Ohio) was \$58,000, and Lebanon Raceway (Ohio) was \$27,000 (Indiana Horse Racing Commission Annual Report, 1999).

Thoroughbred purses at Hoosier Park averaged \$192,511 a day in 1999. Daily averages at selected tracks were \$183,073 for Turfway Park (Kentucky), \$218,587 for Hawthorne Park (Illinois), and \$65,886 for Beulah Park (Ohio) (Indiana Horse Racing Commission Annual Report, 1999).

Breed Development Funds support of Indiana purses is part of the Indiana Horse Racing Commission's effort to improve the quality of the stock of Indiana's racing breeds and to encourage racing industry investment and growth in Indiana. Higher purses, relative to other states, attract quality horses to Indiana race meets as more owners and breeders, both in state and out of state, establish operations in Indiana to compete for purses at the Hoosier Park. This competition makes races more attractive for simulcasting, and increases the amount wagered which, in turn, benefits Indiana horsemen by increasing purses. Standardbreds and Thoroughbreds have separate incentive programs to encourage owners and breeders to invest in the Indiana pari-mutuel equine industry.

The pari-mutuel horse racing industry in Indiana enters its seventh year in 2000. The industry is still developing. While the pari-mutuel industry leaders think that incentive programs and high relative purse structure have helped the industry in Indiana, there is a consensus in the industry that the source of development funds, the Riverboat Fund, must have more certainty for continued

industry development (Carleton). Industry leaders think that the legislation creating the Riverboat Fund needs to be continued through legislative action to provide a signal to current and potential industry investors that Indiana will provide long term support for the industry. Tables 5 and 6 provide data on horse populations on the farms of the breeders, trainers and owners that participated in the industry expenditure survey. Growth in the populations of all three equine breeds associated with the state's pari-mutuel racing industry is attributed to establishment of pari-mutuel racing in the state and support through the breed development committee activities.

Indiana Pari-mutuel Horse Racing Breeds

Standardbred, Thoroughbred, and Quarter Horse are the three equine breeds involved in Indiana's pari-mutuel racing industry. Breeding, training, raising, and racing these three horse breeds are important components of Indiana's horse industry.

No organization or agency conducts a census of the Indiana horse population by breed or by horse function. Knowing the population of horses involved in the pari-mutuel racing industry, however, is critical to estimating the economic impacts associated with horse breeding, training, and racing enterprises associated with Indiana's pari-mutuel racing industry.

The Standardbred population was estimated using data provided by the Indiana Horse Racing Commission on the number of broodmares, stallions, and Indiana-owned horses registered with the Indiana Horse Racing Commission in 1999 and Commission registration record. Standardbred foals data were provided by the United States Trotting Association. The Thoroughbred horse population was estimated from Indiana Horse Racing Commission data on the number of foals in 1995 through 1999, Indiana-owned Thoroughbred horses in 1999, and stallions and mares registered with the Indiana Horse Racing Commission in 1999. The Quarter Horse population was estimated from 1999 data provided by the American Quarter Horse Association.

Horse Population Estimates

The Standardbred population involved in the pari-mutuel racing industry that resides in the State of Indiana was estimated to be 5,648 horses in 1999 (Table 5). This population was calculated using data on registered broodmares, Indiana-owned horses, and standing stallions with the Indiana Horse Racing Commission and data on foals registered with the United States Trotting Association (USTA). The Standardbred population includes 3,279 foals registered with USTA in 1995-1999, 183 registered stallions (Table 6) and 1,940 registered broodmares that resided in Indiana in 1999 (Table 7), and 132 Indiana-owned Standardbreds registered to race in Indiana that capture the racing population. The foals represent the pre-racing Standardbred stock. The stallions and broodmares are the breeding stock. The horses registered to race are the state's racing population. The number of registered Standardbred stallions and the number of Standardbred broodmares have increased 103 percent (1999) and 292 percent (2000) since 1994. This growth is directly related to establishment of pari-mutuel racing in Indiana.

The estimated Thoroughbred population of Indiana horses involved in the pari-mutuel racing industry in 1999 is 2,645 horses (Table 8). The estimate was calculated from data for registered Thoroughbreds from the Indiana Horse Racing Commission. The population includes foals, stallions, broodmares, and racing horses. There were 1,342 foals registered from 1995 through 1999. These horses represent the young pre-racing Thoroughbred population. There were 101 stallions (Table 6) and 653 registered broodmares in 1999 (Table 9). These horses are the Thoroughbred breeding population in Indiana. Additionally, 549 Indiana-owned Thoroughbreds were registered to race, the state's racing population. The number of Thoroughbred stallions increased from 22 in 1994 to 101 in 1999. The number of Thoroughbred broodmares increased from 436 in 1998 to 653 in 1999.

The Quarter Horse population involved in the pari-mutuel racing industry was estimated at 407 horses in 1999. This estimate was derived from data provided by the American Quarter Horse Association (AQHA).

Purses, Horse Sales and Standing Stallions

Indiana horse racing purses and the Breed Development Programs benefit directly from horse racing's share of the Riverboat Admissions Tax. Hoosier Park purses for Indiana-sired, Indiana-bred and Indiana-owned horses are competitive to pari-mutuel track purses in other states. Racetrack winnings, or purses, are Indiana Standardbreds and Thoroughbreds horse owners'/breeders'/trainers' largest source of income from horse operations (Table 4).

The Indiana Breed Development Programs support purses for Indiana-sired, -bred and -owned horses with the expectation that Indiana owners/breeders/trainers will invest more money in the state's pari-mutuel horse industry. And, evidence suggests that investment in Indiana's horse racing industry is increasing. One measure, the number of horses per farm increased from 1990 to 1997 for all three equine breeds involved in pari-mutuel racing, with both Standardbreds and Thoroughbreds showing similar growth (Owner, Breeder, Trainer Survey).

Horse breeding activity is related to size, quality, and strength of a state's horse industry. Indiana Standardbred stud fees in 1999 were an estimated \$1.1 million (Table 11). Indiana Thoroughbred stud fees for 1999 were an estimated \$306 thousand (Table 12). As the size and competitiveness of the industry grows, Indiana horse enterprise revenues from breeding activity continues to increase.

Standardbred horse sales have increased substantially due to the introduction of pari-mutuel racing in Indiana. In 1996, a total of 191 standardbred horses sold at public auction in Indiana for a total of \$326,225, an average of \$1,708. In 1999, 602 standardbreds sold for \$1,715,475 and averaged \$2,850 (Tables 13 and 14). These sale results represent respective increases of 216 percent (number of horses), 426 percent (total sales) and 67 percent (average per horse). This growth

reflects the growing demand for Indiana standardbred horses by individuals wishing to compete in Indiana's pari-mutuel horse racing industry.

Another measure of industry growth is the number of stallions located in the state. There has been strong growth in the number of stallions since 1994 (Table 6). The number of Standardbred stallions increased nearly four times from 1986 to 1999 (48 to 183). The number of standing Thoroughbred stallions for this same time period increased from 1 to 101 horses (Indiana Horse Racing Commission).

Indiana's broodmare population has also increased with the introduction of pari-mutuel racing in the state. Standardbred broodmares increased from 704 in 1994 to 2,054 in 2000 (Table 7), an increase of 291 percent. Registered Thoroughbred broodmares increased from 436 in 1998 to 653 in 1999 (Table 9), a one year increase of 148 percent.

Interest in the Indiana horse racing industry appears to be growing. However, industry insiders suggest the strength of Indiana pari-mutuel racing industry is dependent on competitive purses and the continued flow of monies to breed development funds that encourage industry investment both of which assume a continuation of Riverboat funding.

Pari-mutuel Horse Racing Industry Economic Impacts

Breeding, training, raising, and racing horses results in economic activity. People in the horse industry purchase feed, veterinarian services, and other goods and services to support their horse enterprises. This initial, or direct, economic activity stimulates spending in the economy as horse industry suppliers make purchases to support their businesses. Additionally, households that earn income from horse farms or their suppliers spend money in the economy creating impacts. The operation and maintenance of Hoosier Park stimulates additional economic activity as the track spends money in the local economy to purchase goods and services to support racing activities.

A first step in estimating the total economic impacts of the horse racing industry is to estimate total expenditures by farm enterprises and expenditures by the race track. This was done by

surveying a sample of individuals involved in breeding, training, and/or racing of race horses in Indiana and by collecting operations data from Hoosier Park. The data were used to develop sample expenditure budgets that classified expenditures by category for the three equine breeds involved in Indiana pari-mutuel racing. These budgets were used to estimate total expenditures for each equine breed associated with the pari-mutuel horse racing industry.

Horse enterprises operating in Indiana stimulate activity in the Indiana economy as breeders, trainers, and owners spend money to purchase goods and services to support their horse enterprise. Multipliers from an input-output model can be used to estimate the economic impacts associated with spending to support horse enterprise activities. An input-output modeling technique using IMPLAN (Impact Analysis for PLANing) software was used to estimate economic multipliers for the total economic impact associated with the pari-mutuel horse industry. Input-output analysis is widely used to examine the interactions in an economy among businesses, and between businesses and final consumers (IMPLAN Pro User's Guide). The degree of interaction among various economic entities determines the total economic impact. Three types of impacts are reported in this paper: output, income, and employment. Output impacts are sales, the value of goods and services sold in the economy as a result of horse enterprise activity. Income impacts are dollars paid to workers in the Indiana economy because of horse enterprise activity. Employment impacts are jobs in the state economy as a result of horse enterprise activity.

Output impacts are the change in sales or receipts resulting from an initial change in the economy (e.g., expenditures to support equine breeds involved in pari-mutuel racing). Income impacts are changes in household income resulting from changes in total sales. When total sales increase, demand for employees increase, and household incomes increase. Employment impacts are jobs added in the economy by firms with increased output or sales.

Total impacts equal the sum of direct, indirect, and induced impacts. The direct impacts are the largest component of the three impacts. It is the initial change in the economy. The direct impact

in this analysis is the horse enterprise owners' spending to support the horse racing industry in Indiana. Indirect impacts reflect inter-industry transactions resulting from the direct impacts, or initial change in economic activity. For example, a feed supplier must purchase supplies from various sources to meet horse industry feed demand. The purchases are indirect impacts. Induced effects are those associated with household expenditure of income by firms involved in direct and indirect activities, in this case, by horse farms and their suppliers. The total impact of an economic activity occurs in several different sectors of the economy.

National income accounts serve as the empirical base for economic analysis performed with IMPLAN. National income accounts measure the productivity of the entire nation in terms of products and income generated by production of all goods and services in the U.S. economy. Because the national income accounts are based on aggregated county level data, it is possible to examine regional economic activity in terms of any combination of counties. IMPLAN uses 1995 Indiana data. The output, income, and employment impacts of the Indiana horse racing industry are reported for the state of Indiana.

Horse Enterprise Spending

Purchases made by owners, breeders and trainers to support breeding, training and/or racing horses make up the direct economic impact of the horse racing industry on the state economy. Total expenditures on horse enterprises (excluding labor) by equine breed were estimated to be \$19,050,704, \$20,794,585, and \$363,080 for Standardbred, Thoroughbred, and Quarter Horses, respectively (Table 15). The total expenditures for the three breeds was \$40,208,369.

Horse enterprise labor payments represent roughly 20 percent of total enterprise expenditures (Table 15). Total estimated labor payments were \$5,461,616, \$3,847,529, and \$34,800 for Standardbred, Thoroughbred and Quarter Horse enterprises, respectively (Table 15). Total labor payments by horse enterprises involved in the pari-mutuel horse racing industry is \$9,343,945.

Horse Enterprise Output, Income and Employment Impacts

The horse enterprise spending, the direct impact, stimulates additional spending in the economy as suppliers make purchases to supply horse racing enterprises, and retail and consumer service firms make purchases to service household spending income earned from horse enterprises. The direct impacts and the additional spending combined are the total impacts (Tables 16). Total output, income and employment impacts associated with Standardbred horse enterprises in Indiana were estimated to be \$34,475,561, in output or total receipts, \$13,333,403 in total income, and 679 jobs. These amounts represent the spending by the horse enterprise (direct impacts) plus the indirect and induced impacts.

Total output, income and employment impacts associated with Indiana's Thoroughbred horse industry were estimated at \$37,178,265, \$14,928,578, and 873 jobs, respectively (Table 16). Again, these amounts represent the direct industry impacts plus the indirect and induced impacts. The total estimated output, income and employment impacts associated with Indiana's Quarter Horse racing industry were \$621,936, \$221,441, and 13 jobs (Table 16).

The total economic impacts of expenditures by horse enterprises involved in Indiana's pari-mutuel racing industry are for 1999 was \$72,275,762 in total output or sales (Table 16). The resulting income was estimated at \$28,483,422. And, an estimated 1,565 jobs were created in the economy to support the horse enterprises.

Horse enterprises involved in Indiana's pari-mutuel horse industry have had estimated annual payroll of \$9,343,945 (Table 15). Assuming an average wage of \$9.60/hour or \$20,000/year, this payroll represents 467 jobs. Households earning this money use it to purchase household goods and services. Household spending of income earned in the horse industry stimulates \$20,112,834 in economic output, or gross sales (Table 17). The household spending resulted in a total impact of \$3,865,458 in personal income and 173.2 jobs.

The operation of Hoosier Park and its three OTBs found in Fort Wayne, Merrillville, and Indianapolis, also stimulated economic activity in Indiana. The estimated annual economic output impact associated with Hoosier Park and its three OTBs in 1997 is \$37,471,970 (Table 18). The estimated total income impact is \$16,475,518. Total employment impact is 681 jobs.

Adding the impacts associated with the horse enterprise spending (Table 16), the impacts associated with household spending of income earned from horse enterprises (Table 17), and the impacts associated with Hoosier Park operations (Table 18), the total output, income and employment impacts associated with pari-mutuel horse enterprises are \$129,860,566 in total output or sales, \$48,824,398 in total income, and 2,418 jobs (Table 19).

The Economic Impact Associated with Hoosier Park Operations

Hoosier Park opened its racetrack and a simulcast office in September 1994 in Anderson, Indiana. In 1995, three off-track betting facilities (OTBs) in Merrillville, Fort Wayne, and Indianapolis were added to Hoosier Park's operations.

The economic impacts associated with Hoosier Park and its three OTBs, Fort Wayne, Merrillville, and Indianapolis, in the State of Indiana were estimated for their 1997 operations. The total operating expenses of Hoosier Park and its three OTBs for 1997 were \$42,418,371 (Hoosier Park Memo, November 30, 1998). Hoosier Park paid its employees and Indiana suppliers a total of \$18,744,823 (Hoosier Park Memo, November 30, 1998). These expenses included payments for salary and wages; advertising and promotions; programs, forms, and tips; land facility and equipment rent; telephone and utility services; payroll taxes and benefits; repairs, maintenance and supplies; real and personal property taxes; legal and consulting fees; contract ambulance and security services; Indiana Horse Racing Commission employees; Indiana Horse Racing Commission meet fees; admission taxes; and manure and trash removal. Operating expenses to out-of-state suppliers amounted to \$23,673,548. These payments included: purses and stakes; management fee; simulcasting and interface fees; depreciation and amortization; tote and audio visual; insurance

other than health; and United States Trotting Association fees (Hoosier Park Memo, November 30, 1998).

Total statewide economic impacts associated with Hoosier Park and its three OTBs were estimated using input/output multipliers. The multipliers were obtained from an Indiana input/output model constructed using IMPLAN. The \$18,744,823 operating expenses paid to Indiana employees and suppliers is associated with a total output impact of \$37,471,970 in the Indiana economy (Table 18). Furthermore, Hoosier Park operations are associated with a total of 681 Indiana jobs and \$16,475,518 in Indiana income (Table 18).

The estimated total annual economic impacts associated with horse racing enterprises and Hoosier Park operations in 1999 was \$129,860,566 in total output and \$48,824,398 in total income (Table 19). This activity was associated with 2,886 jobs in the Indiana economy.

The Economic Impacts of the Construction of Hoosier Park

The Indiana economic impacts associated with construction of Hoosier Park were estimated using input/output multipliers. Hoosier Park was constructed in 1994 over an eight month period. The track opened September 1, 1994 (Hoosier Park, Tom Bannon, personal communication, November 1998). Approximately \$30 million has been spent on the construction of the racetrack and improvement through 1999. These construction impacts occur one time as a facility is being built. They do not re-occur annually.

The \$27 million Hoosier Park construction project produced \$50,810,409 in total output impacts in the Indiana economy (Table 20). Total employment impacts associated with the construction of Hoosier Park was 672 jobs. Also, there was a total personal income impact of \$18,469,269 in the Indiana economy associated with track construction (Table 20).

State Revenue Associated with Hoosier Park Operations

Hoosier Park operations pay taxes to Indiana and local governments. Total Indiana State tax payments associated with pari-mutuel equine racing was \$4,599,544 in 1999 (Table 21). This is an increase from \$516,067 in 1994, the first year of operation (Indiana Horse Racing Commission Annual Reports 1994 -1999). Tax payments made to Indiana State government include: pari-mutuel taxes, occupational licenses (until 1995), fines and civil penalties paid, track reimbursements for officials, and track permit and license fees.

Pari-mutuel taxes account for the largest share of horse industry payments to the Indiana State government. Pari-mutuel taxes increased steadily from 1994 to 1999 both in terms of dollars and in the percent of that total that the State received from pari-mutuel equine racing. In 1994, pari-mutuel taxes amounted to \$403,578 and accounted for 78% of that year's State revenue from pari-mutuel racing industry. In 1999, pari-mutuel tax payments were \$4,273,460, 93% of 1999's State revenue from pari-mutuel racing.

Household income associated with the horse racing industry also has an impact on state and local government revenues through income taxes. The estimated income tax revenue to state government from income associated with racing industry activity in 1999 was \$1,164,804 (Table 22). Estimated sales tax revenue was \$1,077,933. These estimates both used a ratio of 1999 total Indiana income to the corresponding total state revenue as multipliers. The income earned in association with horse racing activity would generate additional government tax revenue for local governments. These amounts would depend on the individuals' work and residence locations and prevailing local income tax rates.

Summary and Conclusions

The introduction of pari-mutuel racing at Hoosier Park in 1994 stimulated interest and growth in Indiana's equine industry and stimulated economic activity that reaches through the state. By 1999 the industry stimulated an estimated annual \$129,860,566 output or spending in the State's economy. This activity resulted in an annual payment of \$48,824,398 in personal income and 2,418 jobs in the Indiana economy. Indiana state government received \$4,599,544 in taxes directly from the industry and an estimated additional \$2,242,737 in revenue as a result of industry related household income payments.

Industry measures indicate strong growth over the past 7-10 years. The industry is poised to continue this growth, increasing the importance of the industry in the state's economy and stimulating growth throughout Indiana communities.

Definitions

Breakage: total dollar amount retained from rounding of pari-mutuel payoffs for all wagers in Indiana.

Breeders: people who own broodmares and/or stallions used to produce Indiana-bred foals.

Direct impact: purchases the industry makes.

Employment impacts: jobs added in the economy by firms with increased output or sales.

Handle: the aggregate of all pari-mutuel pools, excluding refundable wagers.

Income impacts: changes in household income associated with changes in total sales.

Indiana-bred Standardbred: the United States Trotting Association issues a foal registration certificate that shows the Standardbred foal as “Indiana bred” when the mare that had the foal was owned by an Indiana resident when the foal was conceived.

Indiana-bred Thoroughbred: An Indiana-bred Thoroughbred is any Thoroughbred "foaled in the state of Indiana whose dam was registered with the Indiana Horse Racing Commission and entered the State of Indiana by December first of the year prior to foaling. The mare must remain in Indiana continuously until foaling". This foal can be registered as Indiana-bred. A foal can also qualify as Indiana-bred even if the mare does not enter the state until after December first, provided that the mare has been bred back to a registered Indiana stallion. The mare must still foal in Indiana.

Indiana-sired Standardbred: An Indiana-sired Standardbred is any Standardbred horse whose sire was listed in the Indiana Stallion Registry the year the horse was conceived.

Indirect impact: purchases industry suppliers and their suppliers make. For example, the horse owner pays for veterinarian services, who has to buy supplies such as medicines, who in turn has to pay for packaging, and so on. All purchases made so the veterinarian can provide the service to the horse farm are indirect impacts.

Induced impact: purchases made by people employed in the industry or its suppliers with income earned from industry. It measures increased household consumption associated with an increased workforce or earnings.

Leg: a preliminary race leading up to a final race.

Meet: the racing season, or number of days, allocated to an equine breed for racing.

Multiplier: a number that represents the total activity associated with an initial activity in the economy.

Off-Track Betting: Wagering done via simulcasting at a simulcast location not located at Hoosier Park.

Output impacts: the change in sales or receipts resulting from an initial change in the economy (e.g. increase in net returns to farm households).

Outs: all pari-mutuel tickets unrepresented or unclaimed as of sixty days after the conclusion of the year in which the ticket was purchased, pg. 14 (Indiana Horse Racing Commission, 1987).

Owners: people who own horses involved in Indiana's pari-mutuel horse racing industry, whether this person is an active or passive participant.

Pari-mutuel: a system of betting on races in which those persons who wager on horses that finish in specified positions share the total amount wagered, minus deductions permitted by law.

Purses: a sum of money offered as a prize to horse race participants.

Registered: Indiana horses that are registered with the Indiana Horse Racing Commission so that they can be eligible for Indiana-owned, Indiana-bred or Indiana-sired winnings from Hoosier Park.

Simulcast: a satellite transmission of races from Hoosier Parks as well as other tracks in the United States.

Trainers: people who work with horses to prepare them for pari-mutuel racing.

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Table 1. Live Racing Days at Hoosier Park
Standardbreds and Thoroughbreds, 1994-1999

| Year | Standardbreds Racing Days | Thoroughbreds Racing Days | Quarter Horse ¹ Racing Days | Total Racing Days |
|------|------------------------------|------------------------------|---|----------------------|
| 1994 | 54 | --- | --- | 54 |
| 1995 | 104 | 42 | --- | 146 |
| 1996 | 80 | 52 | --- | 132 |
| 1997 | 85 | 57 | 1 | 142 |
| 1998 | 94 | 58 | 3 | 152 |
| 1999 | 102 | 65 | 10 | 167 |

Source: Indiana Horse Racing Commission's Annual Report, 1994, 1995, 1996, 1997, 1998, 1999.

¹Quarter Horse race days are held on thoroughbred racing days. Therefore, total racing days is the sum of standardbred and thoroughbred racing days.

Table 2. Handle Received at Hoosier Park
Standardbred and Thoroughbred Races, 1994-1999

| Year | Live Handle | | Simulcast Handle at all Indiana Locations | | Totals |
|-------|-----------------------|-----------------------|--|-----------------------|---|
| | Standardbred Races | Thoroughbred Races | Standardbred Races | Thoroughbred Races | Handle for Standardbred and Thoroughbred Races, Live and Simulcast |
| 1994 | \$11,483,561 | --- | \$ 2,580,178 | \$ 6,112,655 | \$ 20,176,394 |
| 1995 | 12,605,078 | \$ 6,959,615 | 16,865,557 | 81,083,037 | 117,513,287 |
| 1996 | 8,523,261 | 6,486,481 | 22,225,865 | 112,010,315 | 149,245,922 |
| 1997 | 7,455,017 | 7,061,708 | 23,167,361 | 109,272,643 | 146,956,729 |
| 1998 | 7,512,027 | 7,084,384 | 22,862,752 | 112,402,516 | 149,861,679 |
| 1999 | 6,868,731 | 7,185,662 | 25,804,250 | 115,408,306 | 155,266,949 |
| Total | \$54,447,675 | \$34,777,850 | \$113,505,963 | \$536,289,472 | \$739,020,960 |

Source: Indiana Horse Racing Commission's Annual Report, 1994, 1995, 1996, 1997, 1998, 1999. (Excludes handle wagered out of state on Hoosier Park's live race meets.)

Table 3. Riverboat Tax Revenue Allocated to Indiana Horse Racing Commission, 1995-1999

| Year | Riverboat Fund Payments |
|-------|-------------------------|
| 1995 | \$ 98,021 |
| 1996 | 6,094,471 |
| 1997 | 16,147,092 |
| 1998 | 22,249,917 |
| 1999 | 24,698,533 |
| Total | \$ 69,288,034 |

Source: Indiana Horse Racing Commission's Annual Report, 1995, 1996, 1997, 1998, 1999.

Table 4. Equine Breed Purses, Hoosier Park, 1994-1999

| Year | Standardbred Purses | | Thoroughbred Purses | |
|-------|---------------------|---------------------|---------------------|---------------------|
| | Total Purses | Average Daily Purse | Total Purses | Average Daily Purse |
| 1994 | \$ 1,328,300 | \$ 24,598 | N/A* | N/A* |
| 1995 | 3,593,180 | 34,550 | \$ 2,673,058 | \$ 63,644 |
| 1996 | 5,608,176 | 70,102 | 5,942,589 | 114,281 |
| 1997 | 9,558,420 | 112,452 | 8,703,640 | 152,695 |
| 1998 | 12,186,805 | 128,282 | 11,468,830 | 197,738 |
| 1999 | 11,960,800 | 117,263 | 12,600,200 | 193,849 |
| Total | \$44,235,681 | --- | \$ 41,388,317 | --- |

Source: Indiana Horse Racing Commission's Annual Report, 1994, 1995, 1996, 1997, 1998, 1999.

*N/A - 1994 Standardbred racing only.

Table 5. Standardbred Population Estimates, 1999

| | |
|---|-------|
| Stallions Standing in Indiana in 1999 (Table 5) | 183 |
| Broodmares in 1999 (Table 6B) | 2,054 |
| Indiana Owned Horses (Excluding IN Sired) | 132 |
| Foals of 1995 (IN Sired; Registered with USTA) | 321 |
| Foals of 1996 (IN Sired; Registered with USTA) | 536 |
| Foals of 1997 (IN Sired; Registered with USTA) | 500 |
| Foals of 1998 (IN Sired; Registered with USTA) | 881 |
| Foals of 1999 (IN Sired; Registered with USTA) | 1,041 |
| Total | 5,648 |

Source: Indiana Horse Racing Commission, 2000
U.S. Trotting Association, 2000

Table 6. Registered Standardbred and Thoroughbred Stallions in Indiana, 1986 to 1999

| Year | Number of Standardbred Stallions* | Number of Thoroughbred Stallions** |
|------|-----------------------------------|------------------------------------|
| 1986 | 48 | 1 |
| 1987 | 54 | 3 |
| 1988 | 53 | 4 |
| 1989 | 66 | 5 |
| 1990 | 77 | 9 |
| 1991 | 80 | 14 |
| 1992 | 70 | 15 |
| 1993 | 82 | 18 |
| 1994 | 90 | 22 |
| 1995 | 115 | 28 |
| 1996 | 110 | 45 |
| 1997 | 122 | 55 |
| 1998 | 159 | 80 |
| 1999 | 183 | 101 |

*Source: Indiana Standardbred Board of Regulations, Stallion Registry, 1997, 1998, 1999.

**Source: Indiana Horse Racing Commission, Thoroughbred Stallion Registrations, 1986 through 1999.

Table 7. Standardbred Broodmares in Indiana, 1994-2000

| Year | Number of Broodmares |
|------|----------------------|
| 1994 | 704 |
| 1995 | 1,038 |
| 1996 | 981 |
| 1997 | 1,427 |
| 1998 | 1,726 |
| 1999 | 1,940 |
| 2000 | 2,054 |

Source: Indiana Horse Racing Commission, 2000.

Table 8. Indiana Thoroughbred Horse Population Estimate, 1999

| | |
|--|-------|
| Stallions | 101 |
| Broodmares | 653 |
| Indiana Owned (excluding Indiana bred) | 549 |
| Foals (Registered Indiana breds 1995-1999) | 1,342 |
| Total | 2,645 |

Source: Indiana Horse Racing Commission, 2000.

Table 9. Registered Thoroughbred Broodmares in Indiana, 1998-1999

| Year | Number of Broodmares |
|------|----------------------|
| 1998 | 436 |
| 1999 | 653 |

Source: Indiana Horse Racing Commission, Thoroughbred Mare Registrations 1998, 1999.

Table 10. Quarter Horse Population Estimates

| | |
|------------------------|-----|
| IN Owned Starters 1995 | 67 |
| IN Owned Starters 1996 | 56 |
| IN Owned Starters 1997 | 55 |
| IN Owned Starters 1998 | 57 |
| IN Owned Starters 1999 | 55 |
| Total | 290 |

Source: American Quarter Horse Association, Amarillo, Texas.

Table 11. Indiana Standardbred Stud Breeding Activity, 1999

| Stallion | Stud Fee | Mares Bred | Live Foal Rate ¹ | Total |
|---------------------|----------|------------|-----------------------------|---------|
| ARMBRO CENTURY | \$ 1,250 | 7 | 0.6 | \$5,250 |
| ARMBRO INSIDER | 750 | 5 | 0.6 | 2,250 |
| ARMBRO MANEUVER | 1,800 | 22 | 0.6 | 23,760 |
| ARMBRO MARINO | 1,000 | 28 | 0.6 | 16,800 |
| ASIAN PRINCE | 200 | 15 | 0.6 | 1,800 |
| AWESOME VICTORY | 1,500 | 41 | 0.6 | 36,900 |
| BEACH THE CLOCK | 1,000 | 3 | 0.6 | 1,800 |
| BOMBADIL | 200 | 2 | 0.6 | 240 |
| BRIAN DAVID | 750 | 2 | 0.6 | 900 |
| BRIGHT SPOT | 350 | 2 | 0.6 | 420 |
| BRIGHT VIKING | 500 | 12 | 0.6 | 3,600 |
| BRYANT GIMBLE | 500 | 7 | 0.6 | 2,100 |
| CAM CAM CAMEO | 500 | 21 | 0.6 | 6,300 |
| CAM'S ANSWER | 400 | 4 | 0.6 | 960 |
| CHATHAM LIGHT | 750 | 5 | 0.6 | 2,250 |
| CLAY ROAD | 200 | 1 | 0.6 | 120 |
| CLEVER CUSTOMER | 1,000 | 3 | 0.6 | 1,800 |
| COLD WARRIOR | 500 | 11 | 0.6 | 3,300 |
| COLEMAN'S IMP | 100 | 12 | 0.6 | 720 |
| COMPELLED | 1,250 | 20 | 0.6 | 15,000 |
| CP LIGHTNING | 300 | 2 | 0.6 | 360 |
| DAKOTA SPUR | 1,250 | 51 | 0.6 | 38,250 |
| DELPHI'S ORACLE | 1,000 | 23 | 0.6 | 13,800 |
| DIRK ALMAHURST | 750 | 10 | 0.6 | 4,500 |
| DIVISION TITLE | 500 | 4 | 0.6 | 1,200 |
| DUNKERY BEACON | 750 | 7 | 0.6 | 3,150 |
| EARTH INVASION | 250 | 6 | 0.6 | 900 |
| EATING RAOUL | 500 | 2 | 0.6 | 600 |
| ELECTRIC YANKEE | 2,000 | 77 | 0.6 | 92,400 |
| ELLIOT'S EXPRESS | 1,000 | 20 | 0.6 | 12,000 |
| FAST CROSSING | 500 | 2 | 0.6 | 600 |
| FORESTER | 500 | 5 | 0.6 | 1,500 |
| FOXHOME BOY | 700 | 5 | 0.6 | 2,100 |
| GULF TALK | 1,000 | 21 | 0.6 | 12,600 |
| HARRY'S STAR RANGER | 750 | 15 | 0.6 | 6,750 |
| HASTINGS LOBELL | 1,000 | 11 | 0.6 | 6,600 |
| HENRY LETS GO | 1,000 | 8 | 0.6 | 4,800 |
| HI HO SILVERHEEL'S | 3,000 | 49 | 0.6 | 88,200 |
| HOLIDAY MOUNTAIN | 400 | 1 | 0.6 | 240 |
| HORACE HYLIGHT | 750 | 10 | 0.6 | 4,500 |
| HOT DOG MATHEW | 300 | 4 | 0.6 | 720 |
| INTERPRETOR | 1,000 | 2 | 0.6 | 1,200 |
| IZATIGER | 1,000 | 15 | 0.6 | 9,000 |
| JT BRET | 500 | 5 | 0.6 | 1,500 |
| JUNKET | 750 | 4 | 0.6 | 1,800 |
| JURGENOT | 400 | 4 | 0.6 | 960 |
| KAWARTHA SPECIAL | 500 | 26 | 0.6 | 7,800 |
| KEEP IT A SECRET | 1,000 | 40 | 0.6 | 24,000 |

Table 11 Continued

| Stallion | Stud Fee | Mares Bred | Live Foal Rate ¹ | Total |
|-------------------|----------|------------|-----------------------------|--------|
| KENTUCKY SPUR | 2,000 | 21 | 0.6 | 25,200 |
| KEYSTONE DYNASTY | 1,000 | 52 | 0.6 | 31,200 |
| KEYSTONE FLAME | 500 | 38 | 0.6 | 11,400 |
| KEYSTONE SANDFORD | 1,000 | 10 | 0.6 | 6,000 |
| KID CODY | 500 | 11 | 0.6 | 3,300 |
| KILL THE TRAINER | 1,000 | 24 | 0.6 | 14,400 |
| KING KONG RANGER | 750 | 3 | 0.6 | 1,350 |
| L' AIR DU TEMPS | 500 | 10 | 0.6 | 3,000 |
| LANDSLIDE | 750 | 20 | 0.6 | 9,000 |
| LINDY'S VICTORY | 1,000 | 2 | 0.6 | 1,200 |
| LIVE THE LEGEND | 200 | 6 | 0.6 | 720 |
| LOCO HANOVER | 1,000 | 31 | 0.6 | 18,600 |
| LUMBER HANOVER | 1,000 | 7 | 0.6 | 4,200 |
| MAGIC FINALE | 100 | 3 | 0.6 | 180 |
| MAJOR CREDIT | 750 | 2 | 0.6 | 900 |
| MANDRETTI | 500 | 4 | 0.6 | 1,200 |
| MARK JOHNATHAN | 1,000 | 116 | 0.6 | 69,600 |
| MCJATE | 800 | 9 | 0.6 | 4,320 |
| MIDNIGHT STRIKE | 200 | 9 | 0.6 | 1,080 |
| MIKE'S IN STYLE | 250 | 3 | 0.6 | 450 |
| MUSKOKA QUARRY | 500 | 2 | 0.6 | 600 |
| NAPATROSS | 500 | 16 | 0.6 | 4,800 |
| NAT'S LUCK | 350 | 2 | 0.6 | 420 |
| NO CAM TELL | 500 | 1 | 0.6 | 300 |
| NO DEVIL | 700 | 4 | 0.6 | 1,680 |
| NOBLETTE'S FINALE | 1,000 | 9 | 0.6 | 5,400 |
| NUCLEAR AGE | 750 | 5 | 0.6 | 2,250 |
| NUCLEAR DESIGN | 1,000 | 21 | 0.6 | 12,600 |
| OILFIELD | 500 | 10 | 0.6 | 3,000 |
| ONLY MINE | 500 | 22 | 0.6 | 6,600 |
| PADRE HANOVER | 1,000 | 30 | 0.6 | 18,000 |
| PASTEL PASTEL | 500 | 11 | 0.6 | 3,300 |
| PERFECT YEAR | 100 | 6 | 0.6 | 360 |
| PERSONAL POWER | 1,000 | 54 | 0.6 | 32,400 |
| PILGRIM'S PUNCH | 750 | 48 | 0.6 | 21,600 |
| PINE FOREST | 500 | 30 | 0.6 | 9,000 |
| POPADUES HKA | 500 | 5 | 0.6 | 1,500 |
| PREGO NILEMA | 1,000 | 3 | 0.6 | 1,800 |
| PRINCE PINE | 750 | 29 | 0.6 | 13,050 |
| RADIANT NUKES | 300 | 12 | 0.6 | 2,160 |
| RAZZLE DAZZLEM | 750 | 25 | 0.6 | 11,250 |
| REVILLE RULER | 400 | 5 | 0.6 | 1,200 |
| RITZY VALLEY | 200 | 6 | 0.6 | 720 |
| RUDY HANOVER | 750 | 24 | 0.6 | 10,800 |
| SACHEM | 500 | 2 | 0.6 | 600 |
| SALEM'S WARLOCK | 250 | 1 | 0.6 | 150 |
| SAMMY ALMAHURST | 400 | 16 | 0.6 | 3,840 |
| SAMMY BLUE CHIP | 1,000 | 3 | 0.6 | 1,800 |
| SANDMAN HANOVER | 750 | 1 | 0.6 | 450 |

Table 11 Continued

| Stallion | Stud Fee | Mares Bred | Live Foal Rate ¹ | Total |
|------------------------|----------|------------|-----------------------------|-------------|
| SCOTCH LAAG | 750 | 5 | 0.6 | 2,250 |
| SHIPPS COMMANDER | 500 | 15 | 0.6 | 4,500 |
| SINDELAR HANOVER | 300 | 7 | 0.6 | 1,260 |
| SLUGGER SAHBRA | 500 | 14 | 0.6 | 4,200 |
| SPARTAN RANGER | 400 | 16 | 0.6 | 3,840 |
| SPEEDY CARROT | 250 | 7 | 0.6 | 1,050 |
| SPEEDY COATE | 1,000 | 14 | 0.6 | 8,400 |
| SPIKED BUNNY | 750 | 14 | 0.6 | 6,300 |
| SPINNING RANGER | 500 | 7 | 0.6 | 2,100 |
| STICK IT CRICKETT | 500 | 2 | 0.6 | 600 |
| SUPER BEN JOE | 2,000 | 53 | 0.6 | 63,600 |
| SUPERCOE JOE | 500 | 2 | 0.6 | 600 |
| SWEET WIZ | 100 | 11 | 0.6 | 660 |
| TABORIZER | 500 | 6 | 0.6 | 1,800 |
| TEMPLES PRIDE | 150 | 9 | 0.6 | 810 |
| THIRTY G'S | 1,500 | 4 | 0.6 | 3,600 |
| TILL WE MEET AGAIN | 1,000 | 56 | 0.6 | 33,600 |
| TJ'S CROWN | 350 | 11 | 0.6 | 2,310 |
| TOAST OF THE COAST | 500 | 1 | 0.6 | 300 |
| TORINO LOBELL | 500 | 2 | 0.6 | 600 |
| TOWNATION | 750 | 94 | 0.6 | 42,300 |
| TRUST THE YANKEE | 500 | 9 | 0.6 | 2,700 |
| TWO NICKELS FOR A DIME | 300 | 2 | 0.6 | 360 |
| UNDER SIEGE | 1,000 | 14 | 0.6 | 8,400 |
| US BOUND | 300 | 13 | 0.6 | 2,340 |
| VISION'S PRIDE | 300 | 44 | 0.6 | 7,920 |
| WEATHER PROOF | 1,000 | 4 | 0.6 | 2,400 |
| WETHINGTON | 750 | 13 | 0.6 | 5,850 |
| WHEELS HANOVER | 500 | 17 | 0.6 | 5,100 |
| WICKED BREW | 500 | 9 | 0.6 | 2,700 |
| WINDSOR HONOR | 250 | 6 | 0.6 | 900 |
| WONDER CHILD | 500 | 7 | 0.6 | 2,100 |
| WORK FORCE | 1,500 | 21 | 0.6 | 18,900 |
| WRATH OF PAN | 1,500 | 42 | 0.6 | 37,800 |
| WRH | 1,500 | 2 | 0.6 | 1,800 |
| YANKEE BUCKAROO | 500 | 16 | 0.6 | 4,800 |
| Total | | 2,005 | | \$1,135,980 |

Source: Indiana Horse Racing Commission, 2000.

¹ Stud fee paid only when live foal born.

**Table does not include 50 Stallions that did not breed mares in 1999.*

Table 12. Indiana Thoroughbred Stud Breeding Activity, 1999

| Stallion | Stud Fee | Mares Bred | Live Foal Rate | Total ¹ |
|--------------------|----------|------------|----------------|--------------------|
| AGO | \$ 3,500 | 20 | 0.6 | \$ 42,000 |
| ALI GAZIBA | 500 | 33 | 0.6 | 9,900 |
| ALMOST LOST | No fee | 1 | 0.6 | 0 |
| ASSEMBLY DANCER | N/A | 10 | 0.6 | 0 |
| BE SCENIC | 500 | 4 | 0.6 | 1,200 |
| BILLY BIRDEN | N/A | 4 | 0.6 | 0 |
| BLOTCH | 500 | 2 | 0.6 | 600 |
| BOARD MEMBER | 1,000 | 15 | 0.6 | 9,000 |
| BORDAGARAY | N/A | 7 | 0.6 | 0 |
| BRICK HOUSE | 500 | 2 | 0.6 | 600 |
| CAPISTRANO RETURN | No fee | 2 | 0.6 | 0 |
| CAR DEALER | 600 | 16 | 0.6 | 5,760 |
| CARRYN THE BUG | 400 | 1 | 0.6 | 240 |
| CHARMIN' MERLIN | 1,000 | 8 | 0.6 | 4,800 |
| COLD AND CLOUDY | 500 | 6 | 0.6 | 1,800 |
| CONTRARIANINVESTOR | No fee | 4 | 0.6 | 0 |
| CROWN AMBASSADOR | 4,000 | 31 | 0.6 | 74,400 |
| D.C. TENACIOUS | 750 | 9 | 0.6 | 4,050 |
| DAUFUSKIE PIRATE | 1,000 | 4 | 0.6 | 2,400 |
| DEVIL'S JOY | 1,000 | 10 | 0.6 | 6,000 |
| DR. JOHN'S QUEEN | 600 | 2 | 0.6 | 720 |
| DRAMATIC IRONY | 1,000 | 2 | 0.6 | 1,200 |
| EASY SCOOP | 300 | 2 | 0.6 | 360 |
| EL TORRE | 500 | 5 | 0.6 | 1,500 |
| FAST FERDIE | N/A | 5 | 0.6 | 0 |
| FIGHTER JOE | 1,000 | 7 | 0.6 | 4,200 |
| FISCAL | 500 | 13 | 0.6 | 3,900 |
| FLY'N OGYGIAN | 1,000 | 2 | 0.6 | 1,200 |
| GOLD GROOVY | 1,000 | 2 | 0.6 | 1,200 |
| GOLD WORLD | No fee | 4 | 0.6 | 0 |
| INDYMOOD | 1,000 | 47 | 0.6 | 28,200 |
| INHERENT KAL | 500 | 7 | 0.6 | 2,100 |
| JACKSON'S GAP | 300 | 2 | 0.6 | 360 |
| JACQUELYN'S GROOM | 300 | 15 | 0.6 | 2,700 |
| JUDGE VONSTEUBON | 500 | 2 | 0.6 | 600 |
| JUNGLE EXPRESS | N/A | 3 | 0.6 | 0 |
| KINGDOM CITY | 1,000 | 14 | 0.6 | 8,400 |
| LOT O' REM | N/A | 8 | 0.6 | 0 |
| MEXICAN BANDIT | 500 | 7 | 0.6 | 2,100 |
| MORO ORO | 1,000 | 20 | 0.6 | 12,000 |
| NOBLE NOVICE | 500 | 5 | 0.6 | 1,500 |
| PAYOFFTHEMORTGAGE | 1,000 | 2 | 0.6 | 1,200 |
| PLENTY CHILLY | 1,000 | 8 | 0.6 | 4,800 |
| PRESIDENTIAL ORDER | 2,000 | 26 | 0.6 | 31,200 |
| RADIO DAZE | No fee | 9 | 0.6 | 0 |

Table 12 Continued

| Stallion | Stallion | Mares Bred | Live Foal Rate | Total ¹ |
|----------------|----------|------------|----------------|--------------------|
| REALITOS | No fee | 4 | 0.6 | 0 |
| RHOADSEO | N/A | 2 | 0.6 | 0 |
| RIVA PASS | 1,000 | 1 | 0.6 | 600 |
| SCENT WISE | No fee | 1 | 0.6 | 0 |
| SEATTLE ROB | 2,500 | 13 | 0.6 | 19,500 |
| SEMINOLE WIND | No fee | 5 | 0.6 | 0 |
| SIR RIDDLE | No fee | 5 | 0.6 | 0 |
| SPEEDY CURE | 1,000 | 3 | 0.6 | 1,800 |
| STOSKY | 1,000 | 6 | 0.6 | 3,600 |
| SUMMER RANSOM | N/A | 4 | 0.6 | 0 |
| TEXAS FUEL | 650 | 2 | 0.6 | 780 |
| THE CORPS | 1,000 | 3 | 0.6 | 1,800 |
| TOMMY GANDOLFO | 500 | 1 | 0.6 | 300 |
| UNCLE JEFF | 500 | 5 | 0.6 | 1,500 |
| UNSECURED | 500 | 1 | 0.6 | 300 |
| WAKI WARRIOR | 500 | 13 | 0.6 | 3,900 |
| Totals | | 477 | | \$306,270 |

Source: Indiana Horse Racing Commission, Thoroughbred Stallion Registrations, Indiana Thoroughbred Owners & Breeders Association Stallion Registry, telephone survey.

N/A means: Not Available

¹ Stud fee paid only when live foal born.

**Table does not include 48 stallions that did not breed mares in 1999.*

Table 13. Indiana Standardbred Sales at the Topeka Auction House 1996 through 1999

| | Total Number Horses Sold | Total Dollar of Horses Sold | Average Price | Maximum Price | Minimum Price |
|------------|-----------------------------|--------------------------------|------------------|------------------|------------------|
| Oct. 1999 | 112 | \$139,800 | \$1,248 | \$5,000 | \$325 |
| Sept. 1999 | 93 | 126,050 | 1,355 | 6,000 | 400 |
| March 1999 | 104 | 124,225 | 1,194 | 3,600 | 325 |
| Oct. 1998 | 116 | 137,400 | 1,184 | 550 | 200 |
| Sept. 1998 | 96 | 230,750 | 2,403 | 9,500 | 550 |
| March 1998 | 62 | 65,975 | 1,064 | 5,900 | 250 |
| Oct. 1997 | 150 | 158,825 | 1,059 | 5,600 | 200 |
| Sept. 1997 | 183 | 503,900 | 2,754 | 20,000 | 500 |
| March 1997 | 54 | 67,385 | 1,271 | 6,500 | 700 |
| Sept. 1996 | 111 | 243,300 | 2,192 | 10,500 | 800 |
| March 1996 | 80 | 82,925 | 1,024 | 3,600 | 50 |

Source: Indiana Horse Racing Commission; Hoosier Horse Review - April 1996, October-November 1996, October 1997, December 1997, and April 1998; and Sale sheets from the Topeka Standardbred Auction House.

Table 14. Standardbred Sales at the Hoosier Classic Yearling Sale 1998 & 1999

| | Total Number Horses Sold | Total Dollar of Horses Sold | Average Price | Maximum Price | Minimum Price |
|-----------|-----------------------------|--------------------------------|------------------|------------------|------------------|
| Aug. 1999 | 293 | \$1,325,400 | \$4,657 | \$25,000 | \$300 |
| Aug. 1998 | 162 | 711,550 | 4,487 | 30,000 | 500 |

Source: Hoosier Classic Yearling Sale Sheets 1998 & 1999

Table 15. Estimated Annual Enterprise Labor Payments By Breeders, Trainers and Owners of Horses Involved in Indiana's Pari-Mutuel Horse Industry, By Breed, 1999

| | Total Expenditures (Excluding Labor) | Total Labor Payment |
|-----------------------------|---|---------------------|
| Standardbred (5,648 horses) | \$19,050,704 | \$5,461,616 |
| Thoroughbred (2,359 horses) | \$20,794,585 | \$3,847,529 |
| Quarter Horse (290 horses) | \$ 363,080 | \$ 34,800 |
| Totals | \$40,208,369 | \$9,343,945 |

Table 16. Annual Economic Impacts (Excluding Labor) Associated with Horse Racing Enterprise Activities, 1999

| Equine Breed | Output Impacts | Income Impacts | Employment Impacts |
|--|-------------------|-------------------|-----------------------|
| Total Standardbred Horse Enterprise Spending Impacts | \$34,475,561 | \$ 13,333,403 | 679 |
| Total Thoroughbred Horse Enterprise Spending Impacts | \$37,178,265 | \$14,928,578 | 873 |
| Total Quarter Horse Spending Enterprise Impacts | \$ 621,936 | \$ 221,441 | 13 |
| Total Pari-mutuel Horse Enterprise Spending Impacts | \$72,275,762 | \$28,483,422 | 1,565 |

Table 17. Annual Output, Income and Employment Impacts¹ Associated with Horse Enterprise Labor Household Spending, 1999

| | Total Output Impacts | Total Personal Income Impacts | Total Employment Impacts |
|-------------------|----------------------|-------------------------------|--------------------------|
| Agriculture | \$ 117,802 | \$ 28,755 | 2.0 |
| Mining | \$ 12,366 | \$ 2,771 | 0.2 |
| Construction | \$ 331,724 | \$ 120,515 | 4.0 |
| Manufacturing | \$ 1,418,564 | \$ 293,752 | 7.0 |
| TU ² | \$ 888,172 | \$ 193,571 | 5.0 |
| Trade | \$2,113,095 | \$ 927,166 | 58.0 |
| FIRE ³ | \$2,202,622 | \$ 252,380 | 12.0 |
| Services | \$3,453,356 | \$1,956,550 | 81.0 |
| Government | \$ 206,323 | \$ 79,173 | 2.0 |
| Other | \$ 10,825 | \$ 10,825 | 2.0 |
| Totals | \$10,754,849 | \$3,865,458 | 173.2 |

¹ Impacts by major division in Standard industrial classification

² Transportation and Utilities

³ Fire, Insurance and Real Estate

Table 18. Total Annual Economic Impacts Associated with Operation of Hoosier Park and Its Off-Track Betting Facilities in Fort Wayne, Merrillville, and Indianapolis, 1997

| Category | Total Impact |
|-----------------------|--------------|
| Total Output | \$37,471,970 |
| Total Employment | 681 jobs |
| Total Personal Income | \$16,475,518 |

Table 19. Annual Economic Impacts Associated with Horse Racing Enterprise and Employee Activities and Operation of Hoosier Park

| | Output Impacts | Income Impacts | Employment Impacts |
|---|----------------|----------------|--------------------|
| Pari-Mutuel Horse Enterprise Spending Impacts | \$ 72,275,762 | \$28,483,422 | 1,565 Jobs |
| Horse Enterprise Labor Household Spending Impacts | \$ 20,112,834 | \$ 3,865,458 | 173 Jobs |
| Hoosier Park Activity Impacts | \$ 37,471,970 | \$16,475,518 | 681 Jobs |
| Horse Enterprise Direct Employment | --- | --- | 467 Jobs |
| Total Impacts | \$129,860,566 | \$48,824,398 | 2,886 Jobs |

Table 20. The Total Economic Impacts of the Hoosier Park Construction, 1994

| Category | Impact |
|-----------------------|--------------|
| Total Output | \$50,810,409 |
| Total Employment | 672 jobs |
| Total Personal Income | \$18,469,269 |

Table 21. Annual Indiana State Revenues from Pari-Mutuel Racing Industry¹, 1994-1999

| Year | Pari-Mutuel Tax (\$) | Admissions Tax (\$) | Occupational License Fees ¹ (\$) | Track Fines Paid (\$) | Track Reimbursement Fees (\$) | Permit & License Fees (\$) | Total State Revenues ² (\$) |
|------|----------------------|---------------------|---|-----------------------|-------------------------------|----------------------------|--|
| 1994 | 403,528 | 31,501 | 49,955 | 10,400 | 10,400 | 20,683 ² | 516,067 |
| 1995 | 2,629,308 | 91,104 | 130,325 | 25,635 | 170,552 | 8,000 | 3,054,924 |
| 1996 | 3,528,988 | 38,109 | N/A | 14,925 | 159,512 | 8,000 | 3,749,534 |
| 1997 | 4,048,176 | 32,373 | N/A | 27,375 | 189,201 | 8,000 | 4,305,125 |
| 1998 | 4,096,088 | 26,179 | N/A | 21,950 | 227,346 | 8,000 | 4,379,563 |
| 1999 | 4,273,460 | 23,506 | N/A | 49,875 | 244,703 | 8,000 | 4,599,544 |

¹ Occupational licenses were eliminated after 1995.

² State revenues are collected in accordance with the pari-mutuel statute IC 4-31.

Sources: Indiana Horse Racing Commission's Annual Reports, 1994-1999.

Table 22. Partial Estimate Horse Racing Industry Fiscal Impacts ¹, 1999

| | |
|------------------------------------|--------------|
| Indiana income tax ² | \$ 1,164,804 |
| Indiana sales tax ³ | \$ 1,077,933 |
| Indiana Pari-Mutuel taxes and fees | \$ 4,599,000 |
| | |
| Total | \$6,841,737 |

¹ The Indiana horse racing industry also has fiscal impacts on local government.

² Indiana state income tax revenue estimate associated with horse racing industry income impact.

³ Indiana sales tax payment estimate associated with horse racing industry income impact.